View Joe's Report To Homebuilders

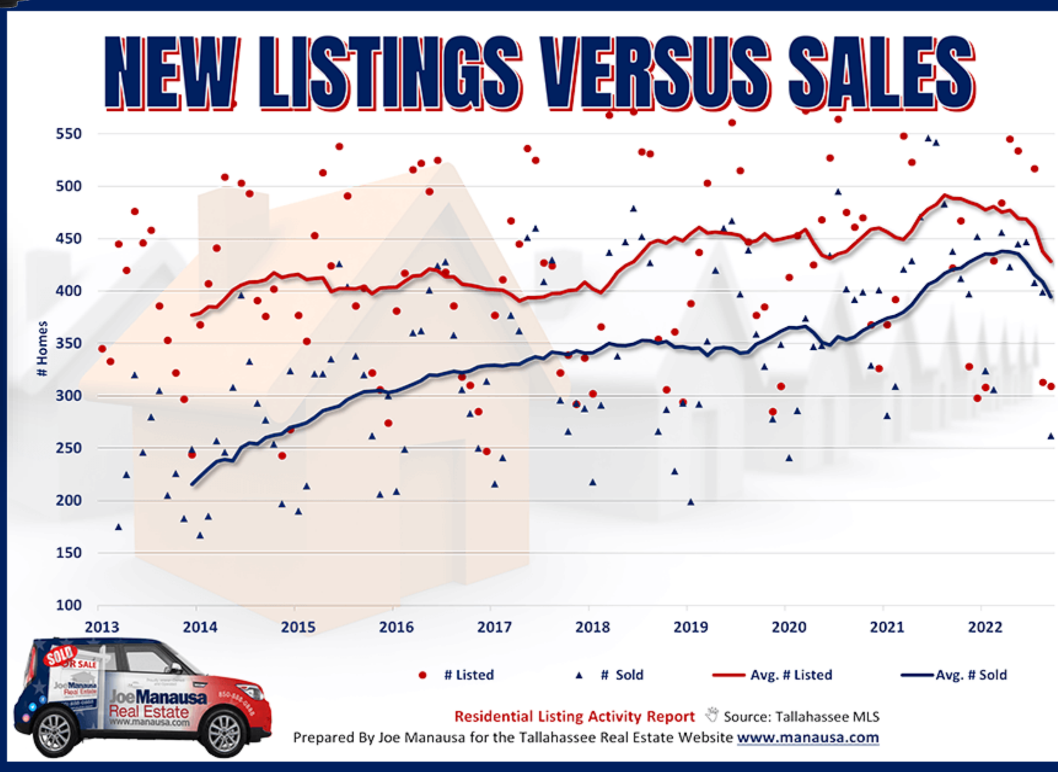
- Selling A Home
- Home Valuation Tool
- Property Search
- The Word Is Out!
- Archives
- Testimonials
- Please Review Our Newsletter

Read Joe's Book!

Joe Manausa, MBA
info@manausa.com
(850) 888-0888

Volume XXII, Number XXXIX

2023 To Start With Lower Inventory



The listing and sales numbers have been posted for most of September, and we are seeing the inventory tighten far more than we have all year.

The graph above shows the number of homes listed each month (red dots) and the number of homes sold each month (blue dots). The 12-month average (or trend) of each is shown as a solid line.

When we see the two lines diverge, it means that relative inventory is growing. Of course the opposite is true as the lines converge, meaning relative inventory is declining.

This back and forth between the relative supply of homes (the supply of homes relative to the current rate of demand) helps us prepare both sellers and buyers for what they will face in the near future.

Currently, we are seeing the narrowest difference between the two, and that means inventory will continue to be hard to find, even as the demand for homes is dropping.

The number of new construction homes hitting the market has fallen greatly so roughly 93% of all listings are coming from the existing homes market. One side effect of lower builder production (coupled with falling demand) is that when three buyers leave the market, roughly two sellers leave the market too as the majority of today's buyers have a home to sell before they can buy.

I do expect the supply of homes to rise as further rate increases slow buyer activity, but it doesn't took to be enough to flip the market to where we see more inventory than buyers.

SUBSCRIBE